

# Montana State Legislature

2011 Session

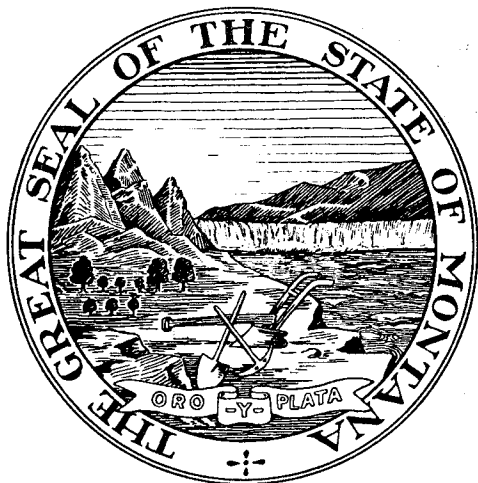
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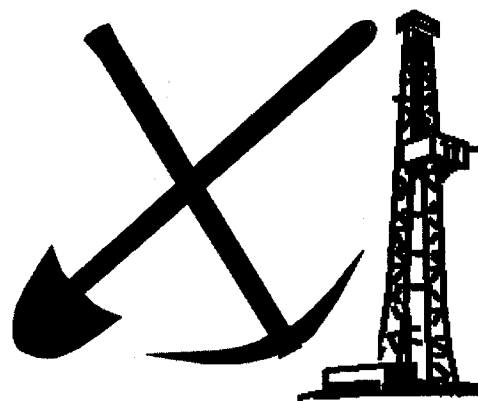
## Governor's Executive Budget Fiscal Years 2012 – 2013

### Reclamation and Development Grants Program

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Department of Natural Resources  
and Conservation

Conservation and Resource  
Development Division



Volume 5

# Reclamation and Development Grants Program

Project Evaluations and Funding Recommendations  
For the 2013 Biennium

and

2007 and 2009 Biennium Status Report

Prepared by the

Montana  
Department of Natural Resources  
and Conservation

Conservation and Resource Development Division  
Resource Development Bureau

Alice Stanley, Bureau Chief

January 2011

## LIST OF ABBREVIATIONS

ADA	Americans with Disabilities Act of 1990
AMD	acid mine drainage
AOC	Administrative Order on Consent
ARRA	American Reinvestment and Recovery Act
ASP	aerated static pile
BIA	Bureau of Indian Affairs
BHCD	Big Horn Conservation District
BHR	Big Hole River
BLM	Bureau of Land Management, U.S. Department of the Interior
BLMS	Berg Lumber Mill Site
BMP	Best Management Practices
BOGC	Montana Board of Oil and Gas Conservation
CARDD	Conservation and Resource Development Division
CBM	coalbed methane
CD	conservation district
CECRA	Comprehensive Environmental Cleanup and Responsibility Act of 1989
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act of 1980
CSKT	Confederated Salish & Kootenai Tribes
cy	cubic yards
DOA	Montana Department of Agriculture
DEQ	Montana Department of Environmental Quality
DNRC	Montana Department of Natural Resources and Conservation
DOT	Montana Department of Transportation
DPHHS	Montana Department of Human Health and Services
EA	environmental assessment
EEE/CA	Expanded Engineering Evaluation/Cost Analysis
EIS	environmental impact statement
EPA	U.S. Environmental Protection Agency
EQIP	Environmental Quality Incentive Program
FBC	Flathead Basin Commission
FEMA	Federal Emergency Management Agency
FWP	Montana Fish, Wildlife and Parks
FY	Fiscal Year
GIS	Geographic Information System
GLWQD	Gallatin Local Water Quality District
HDPE	high-density polyethylene
IWM	Integrated Weed Management
LiDAR	Light Detection and Ranging
LWTP	Landusky Water Treatment Plant
MAFB	Malmstrom Air Force Base
MBMG	Montana Bureau of Mines and Geology
MCA	<i>Montana Code Annotated</i>
MEPA	Montana Environmental Policy Act
MPDES	Montana Pollutant Discharge Elimination System
MSU	Montana State University
MWCB	Mine Waste Cleanup Bureau
NEPA	National Environmental Policy Act
NRIS	Natural Resource Information System
OSM	Office of Surface Mining
PAHs	polycyclic aromatic hydrocarbons
PCB	polychlorinated biphenyl
PCP	pentachlorophenol

PER ..... preliminary engineering report  
 PRB ..... Powder River Basin  
 PR NCN ..... Pittman-Robertson National Conservation Need  
 RCTS ..... Rotating Cylinder Treatment System  
 RDGP ..... Reclamation and Development Grants Program  
 RIT ..... Resource Indemnity Trust  
 RRGL ..... Renewable Resource Grant and Loan  
 SMRWG ..... St. Mary Rehabilitation Working Group  
 SRF ..... State Revolving Fund  
 SSRA ..... State Special Revenue Account  
 TMDL ..... Total Maximum Daily Load  
 TU ..... Trout Unlimited  
 USACE ..... U.S. Army Corps of Engineers  
 USBR ..... U.S. Bureau of Reclamation  
 USFS ..... U.S. Forest Service  
 USFWS ..... U.S. Fish and Wildlife Service  
 USGS ..... U.S. Geological Survey  
 VCP ..... Voluntary Cleanup Plan  
 WPC ..... Water Pollution Control  
 WPPS ..... Well Plugging Prioritization System  
 WRDA ..... Water Resources Development Act  
 YRCDC ..... Yellowstone River Conservation District Council  
 ZWTP ..... Zortman Water Treatment Plant

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Following is a list of projects submitted for funding in the 2013 biennium. For easy reference, the list is alphabetized by the names of the project sponsors. However, in Chapter II the project abstracts, assessments, and recommendations are presented in the order of their ranking by the DNRC and the Governor.

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## CHAPTER I

### Program Description and Procedures

#### Program Information

The RDGP is a state-funded grant program designed to fund projects that *"indemnify the people of the state for the effects of mineral development on public resources and that meet other crucial state needs serving the public interest and the total environment of the citizens of Montana"* (90-2-1102, MCA). The program, established by the 1987 Montana Legislature, is administered by the DNRC.

In February 2010, DNRC mailed application materials to all Montana communities, counties, the university system, conservation districts, state agencies, state legislators, and others who might benefit by program participation. The application deadline was May 15, 2010. DNRC received 29 applications for RDGP funding totaling over \$7.7 million. These projects are listed alphabetically by applicant on pages v and vi.

Since 1986 233 projects, totaling nearly \$48 million, have been authorized for funding by previous Legislatures. The 1993 Legislature authorized, beginning in state FY 1996, a minimum allocation of \$3 million for grants. In 1993, the Legislature also directed DNRC to give priority to grant requests from the BOGC. This priority is not to exceed \$600,000 for the biennium and does not preclude BOGC from submitting additional grant requests. Additional BOGC grant requests are received and ranked by DNRC in the same manner as all other grant requests. DNRC is also statutorily required to give priority to abandoned mine reclamation projects in the amount of \$800,000 (90-2-1113 [3] MCA). These projects may not include personnel costs or operating expenses.

The 2007 Legislature revised the funding structure of the RDGP by establishing two Natural Resources, SSRA: the Natural Resources Projects SSRA and the Natural Resources Operations SSRA. The Projects SSRA receives revenue to be used exclusively for grants for designated projects authorized in statute. Funds from this account are shared by the RDGP and the RRGL Program. The Natural Resources Operations SSRA funds expenses necessarily incurred in the administration of these two natural resource grant programs. Other related agency expenses are also charged to the operations account. This change in funding structure is designed to ensure that RIT funds are expended consistent with the original intent of the RIT.

The 2009 Legislature approved authorization of \$800,000 in project planning grant funding. Chapter IV describes DNRC's role in the administration of planning grants and lists the 17 projects that were approved for funding.

In 2009, the State of Montana received an infusion of federal funds from the ARRA. The Legislature invested some of these funds in existing state programs that, in turn, freed up state general funds for other programs. The 61<sup>st</sup> Legislature passed House Bill 645, which transferred \$4,148,796 from the state general fund to the Natural Resources Projects SSRA for RDGP grants. This amount supplemented the \$4,505,797 contributed to the Projects SSRA by the RIT and other resource extraction revenue sources for a total appropriation of \$8,654,593 to fund all eligible resource projects for the 2011 biennium.

The RDGP Act requires that the Governor submit, by the first day of each regular session of the Legislature, a list of all grant proposals received with his or her recommended priorities for funding (Table 1). Administrative rules further provide that DNRC must furnish to the Legislature a status report on previously funded projects (Chapter III). This report is the result of those directives.

## **Project Eligibility**

The following excerpt from the RDGP Act (90-2-1112, MCA) establishes project eligibility criteria:

1. Except as provided under subsection (2), to be eligible for funding under the RDGP, the proposed project must provide benefits in one or more of the following categories:
  - a. Reclamation of land, water, or other resources adversely affected by mineral development;
  - b. Mitigation of damage to public resources caused by mineral development;
  - c. Research, demonstration, or technical assistance to promote the wise use of Montana minerals, including efforts to make processing more environmentally compatible;
  - d. Investigation and remediation of sites where hazardous wastes or regulated substances threaten public health or the environment; and
  - e. Research to assess existing or potential environmental damage resulting from mineral development.
2. If a crucial state need exists to protect Montana's environment, the DNRC may evaluate and the Governor may recommend that the Legislature approve funding for projects in addition to those described in subsection (1).

## **Applicant Eligibility**

Any department, agency, board, commission, or other division of state government or any city, county, or other political subdivision or tribal government within the state may apply for a grant from the RDGP.

## **Funding Limits**

No grant may exceed \$300,000 and there is no minimum funding limit. An applicant proposing more than one project may submit a separate application for each.

## **Application Review and Ranking Procedures**

The grant applications were evaluated for the technical and financial feasibility of the proposed projects, provision of public benefits, need and urgency, and impacts on the environment. Reviewers included staff members of the CARDD of the DNRC, contracted engineering firms, and federal, state, and university personnel with expertise in specific project areas. For each application, project reviewers wrote a descriptive project assessment incorporating their concerns, ideas, and comments.

More funds are requested than are available. Therefore, the department ranks feasible projects, so that it can recommend funding priority and funding level to the Governor and the Legislature. Evaluation criteria established by the 1987 Legislature include, but are not limited to:

1. The degree to which the project will provide benefits in its eligibility category or categories.
2. The degree to which the project will provide public benefits.
3. The degree to which the project will promote, enhance or advance the policies and purposes of the RDGP.
4. The degree to which the project will provide for the conservation of natural resources.
5. The degree of need and urgency for the project.
6. The extent to which the project sponsor or local entity is contributing to the costs of the project or is generating additional non-state funds.
7. The degree to which jobs are created for persons who need job training, receive public assistance, or are chronically unemployed.
8. Any other criteria DNRC considers necessary to carry out the policies and purposes of the RDGP.

Under the ranking system, a proposal could receive 215 points. Specific criteria were established for each category to provide consistency of review. Of the following criteria, public benefits and need and urgency were weighted most heavily.

	<u>Maximum Points</u> <u>Possible</u>
1. Public benefits	90
2. Need and urgency	50
3. Appropriateness of technical design	40
4. Financial feasibility	15
5. Project management organization	<u>2</u>
<b>Total possible points:</b>	<b>215</b>

### **Recommendations**

After ranking the projects and recommending funding, the CARDD made its recommendations to the DNRC director. The director then presented the recommendations by DNRC to the Governor for final ranking of the proposed projects (Table 1), along with funding recommendations.

An appropriations bill listing the Governor's recommendations will be introduced to the 2011 Legislature. By appropriation or other means, the Legislature may approve grants for those projects it finds consistent with the policies and purposes of the RDGP.

The appropriations bill will also contain a request for RDGP planning grant funds. These funds, to be administered by DNRC, can be accessed by local governments statewide to assist in planning and developing local natural resource projects within their jurisdictions.

2011

**Montana Department of Natural Resources and Conservation**



**1625 Eleventh Avenue  
PO Box 201601  
Helena, Montana 59620  
406/444-6668  
[www.dnrc.mt.gov](http://www.dnrc.mt.gov)**

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